



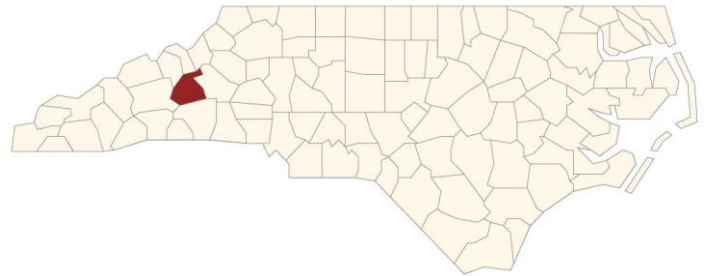
On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

American Recovery and Reinvestment Act Report, McDowell County

McDowell County received more than \$30 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the McDowell County total.



Pell Grant Awards:
965



Small Business Jobs:
37

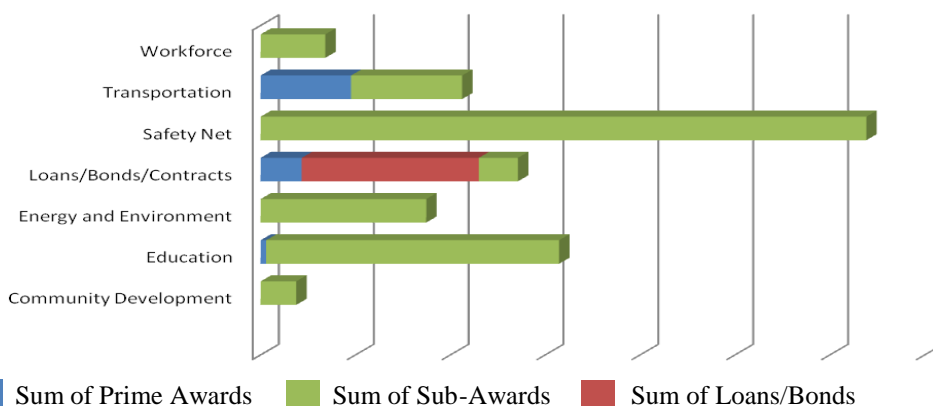


Appliances rebated:
40



Family homes financed:
34

McDowell County Totals



McDowell County,
pop 44,996 at a glance:

Recovery Act Totals:
Grants: \$ 26,822,247.39
Loans: \$ 3,732,418

Total: \$30,554,665.39



Education

The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

McDowell County schools received \$8 million in education funding, including \$1.4 million in Special Education funds, \$1 million in Title I funds, \$3.5 million in SFSF funds, and \$600,000 in Race to the Top.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

In McDowell County, McDowell Technical Community College had 965 students funded by Pell Grants; these grants were worth more than \$1 million.



Family Assistance

The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

In McDowell County, 34 families received assistance through this program totaling more than \$3.5 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North

Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

McDowell County retailers sold 40 appliances through the Energy Star Appliance rebate program.



Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

In McDowell County, 2 small businesses received SBA loan guarantees worth \$100,000. According to the small businesses receiving these loans, the Recovery Act saved or created 37 jobs.



Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

In McDowell County, \$91,292 was received in assistance to farmers because of crop loss to natural disasters.



CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through

the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

In McDowell County, car dealers sold 22 cars worth \$450,000 through the ARRA CARS program.



Environment and Natural Resources Programs

ARRA funded several programs to protect the environment, or to develop natural resources more efficiently. These programs ranged from environmental clean-up, such as leaking underground storage tank abatement and Brownfields programs, to EPA clean air grants, wildfire prevention grants, and revolving funds to build, expand, or overhaul existing water and sewer programs. These programs provided nearly \$150 million across North Carolina.

In McDowell County, the City of Marion and the Fort Township Sanitary District received water and sewer grants worth \$3 million.



Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

In McDowell County, the McDowell County Government received more than \$100,000 for improvements in lighting and to install occupancy sensors in seven buildings and for a solar thermal system at the Senior Center and the Law Enforcement Center in Marion, supplying hot water. McDowell County operates its Meals on Wheels program out of its Senior Center, which requires large amounts of hot water. The Law Enforcement Center will get 50 solar thermal panels and the Senior Center will get six panels. McDowell County Schools received an SEP grant of \$128,627 for solar thermal systems totaling 109 panels, to be installed at McDowell High School, East McDowell Junior High and Marion Elementary School to supply hot water for the schools. These three public schools include dining facilities that prepare breakfast and lunch for more than 2,300 students per day as well as showers at the middle and high school.



Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

McDowell County residents received \$7 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$3 million in SNAP benefit increases, and \$2.5 million in one-time payments of \$250 to social security recipients.

McDowell County received more than \$600,000 for Head Start Programs.

McDowell County Feature Story

The Recovery Act Powers Workforce Development in McDowell County

One of the many goals of the American Recovery and Reinvestment Act is to establish the foundation for the American 21st Century Green Economy. To this end, the federal Department of Energy funded several initiatives to promote energy efficiency, alternative energy, and to reduce American dependence on foreign oil. To create jobs and lead in the global clean energy economy, DOE has made a point of supporting pioneering innovations – including alternative power research. The DOE ARRA-funded research and development programs invest in projects that produce stunning breakthroughs in energy technology.

The Department of Energy granted to the North Carolina Department of Energy, within the North Carolina Department of Commerce, around \$100 million for various energy programs. Two of the primary goals of the American Recovery and Reinvestment Act were to assist in the creation of a 21st century green economy, and to help people find new jobs.

Mountain Valleys Resource Conservation & Development is a non-profit, sponsored by The Land of Sky and Isothermal Regional Councils. The 35 year old non-profit is an action-oriented organization covering eight counties in Western North Carolina. RC&D's goal is conserving soil, water and related natural resources while helping achieve healthy economic growth and balanced land and water management. As well as improving economic conditions, and enhancing and/or preserving natural resources, and balancing land and water management activities in a widely divergent geographic area of North Carolina.

Over the past two years, Mountain Valleys RC&D has made renewable energy a priority and have become a valuable resource for renewable energy project assistance. In 2009, RC&D, Appalachian State University and Sundance Power Systems began a program to integrate wind energy into the mainstream curriculum in schools. The integration of wind power and renewable energy education into K-12 curriculum was designed to provide students with 21st century skills.

The North Carolina Green Business Fund awarded the consortium \$100,000 to establish the Wind for Schools Workforce Development Project to install four Skystream wind turbines at middle and high schools in western North Carolina.

The goal is to provide an opportunity to integrate alternative energy systems technology into existing work force development programs at the schools. The efforts will benefit high school students, ASU students, and Sundance Power Systems through training for wind power jobs. Appalachian State University will host wind energy teacher training workshops to provide teachers with good, accurate and current information, and materials they can share with their students to help develop an interest in careers in alternative energy.

West McDowell Jr. High School is one of the four schools selected to participate in the program. In addition to the training involved in the program, each installed wind turbine will produce about 7,000-7,500 kWh/year. At today's average electricity rate of 10 cents/kWh, that would be an energy savings of \$30,000/per year for all four turbines.



Appendix, McDowell County breakout

Federal Agency	Program Title	Recipient name	Recipient role ⁱ	Prime Amount ⁱⁱ	Unique Sub Awards ⁱⁱⁱ	Loans	Additional Economic Activity (not counted toward totals) ^{iv}
	Bonds		P			\$0.00	
	Cash for Clunkers		S		\$97,000.00		
	Federal Pell Grant Program	McDowell Technical Community College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$3,722,418.00	
Administration for Children and Families	ARRA - Head Start	Mc Dowell County Board Of Education (Inc)	P	\$117,549.00		\$0.00	\$617,500.00
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$2,963,681.06		
Department of Energy	Energy Efficiency and Conservation Block Grant Program (EECBG)	McDowell, County Of	S	\$0.00	\$59,279.00	\$0.00	
Department of Housing and Urban Development	Homelessness Prevention and Rapid ReHousing Program	McDowell, County Of	S	\$0.00	\$750,000.00	\$0.00	
Department of Labor DOI	Unemployment Insurance	Multiple Individuals	S		\$7,223,976.87		
Employment and Training Administration	No CFDA for Contract type awards	Garrett Hall, Melissa	P	\$1,800.00	\$0.00	\$0.00	
Environmental Protection Agency	Capitalization Grants for Clean Water State Revolving Funds	Marion, City Of	S	\$0.00	\$2,601,364.00	\$0.00	
	Capitalization Grants for Drinking Water State Revolving Funds	Fort Township Sanitary District	S	\$0.00	\$532,155.00	\$0.00	
Federal Highway Administration	Highway Planning and Construction	Blythe Development Company	PV	\$0.00		\$0.00	\$373,787.97
		North Carolina Department Of Transportation	P	\$1,905,285.00		\$0.00	\$1,905,285.00
		Vaughn & Melton	PV	\$0.00		\$0.00	\$63,911.18

		Consulting Engineers				
Forest Service	No CFDA for Contract type awards	Appalachian Ecological Services	P	\$89,250.00	\$0.00	\$89,250.00
		Equinox Environmental Consultation & Design In.	P	\$92,266.60	\$0.00	\$92,266.60
				\$27,500.00	\$0.00	\$27,500.00
		Greer Outdoor Services	P	\$115,566.00	\$0.00	\$115,566.00
		Mcmahan & Associates, P.A.	P	\$20,826.00	\$0.00	\$0.00
				\$19,843.00	\$0.00	\$0.00
		Smith, Clarence	P	\$2,500.00	\$0.00	\$2,500.00
		Western Carolina Surveyors P A Inc	P	\$21,562.72	\$0.00	\$21,562.72
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P	\$6,501.05	\$0.00	
National Energy Technology Laboratory	State Energy Program	Mc Dowell County Board Of Education (Inc)	S	\$0.00	\$128,627.00	\$0.00
		McDowell, County Of	S	\$0.00	\$66,749.00	\$0.00
National Park Service.	No CFDA for Contract type awards	Stewart's Professional Tree Service & Landscaping, Inc.	P	\$475,910.00	\$0.00	\$475,910.00
Office of Elementary and Secondary Education	Education for Homeless Children and Youth, Recovery Act	Mc Dowell County Board Of Education (Inc)	S	\$0.00	\$46,329.00	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Mc Dowell County Board Of Education (Inc)	S	\$0.00	\$3,609,730.00	\$0.00
		Mcdowell Technical Community College	S	\$0.00	\$246,521.10	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Mc Dowell County Board Of Education (Inc)	S	\$0.00	\$650,982.00	\$0.00
	Title I Grants to Local Educational Agencies,	Mc Dowell County Board Of Education (Inc)	S	\$0.00	\$951,388.00	\$0.00

	Recovery Act					
Office of Special Education and Rehabilitative Services	Special Education - Preschool Grants, Recovery Act	Mc Dowell County Board Of Education (Inc)	S	\$0.00	\$53,603.00	\$0.00
	Special Education Grants to States, Recovery Act	Mc Dowell County Board Of Education (Inc)	S	\$0.00	\$1,362,753.00	\$0.00
Small Business Administration	Loans	Dover Insulation Inc	L			\$5,000.00
		H & A Trucking Inc.	L			\$5,000.00
SSA	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$2,581,750.00	
Grand Total				\$2,889,858.32	\$23,932,389.07	\$3,732,418.00 \$3,785,039.47

ⁱ Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

ⁱⁱ Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to www.federalreporting.gov

ⁱⁱⁱ Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

^{iv} Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.